



Congressional Business Update...

CONGRESSWOMAN GABRIELLE GIFFORDS

Taxes:

H.R. 2138 - the Investment in America

Status: pending with the House Ways & Means Committee – Rep. Giffords is a cosponsor.

- It would strengthen and make permanent the R&D tax credit.
- At a time of increasing globalization, America's prosperity depends more than ever on its capacity for innovation. For decades, our nation's leadership in basic and applied research has led to discoveries that have dramatically improved living standards around the world and given rise to new industries that have in turn created millions of new jobs.
- In 2004, companies large and small spent \$208 billion on R&D performed in the US, with 62% of those expenditures coming from firms with less than 25,000 employees and 18% from firms with fewer than 500 employees. Companies that performed R&D reported net sales of \$5.6 trillion in 2004.

Estate Tax – Motion to Recommit the Tax Collection Responsibility Act, H.R. 3056

Status: Congresswoman voted for the motion on 10/10/2007; the motion failed.

- The current estate tax system has prevented families from being able to live with certainty regarding their estate planning. That is because the system put in place by the President in 2001 phases out the estate tax over 9 years, resulting in a full repeal in 2010, but then a full reinstatement in 2011.
- This vote recognizes Congresswoman Giffords commitment to promoting the American dream of building wealth that can be left to children and grandchildren. That is why she supports responsible, estate tax reform that will foster that goal by establishing a fair and just estate tax exemption.

H.R. 5719 – Taxpayer Assistance & Simplification Act

Status: Cosponsor – passed House 4/15/2008 w/ Giffords' vote, pending in Senate

- Modifies the current out-dated rules for deducting the use of cell phones for business purposes, which will ease administrative burdens for small-business owners. This reform to the IRS code would eliminate an onerous paperwork requirement on businesses.
- Includes a one-year delay of the implementation of the 3% withholding requirement by federal, state and local governments on payments for goods and services which puts both an administrative burden on all parties involved and a strain on the daily operating cash flow of small businesses.

H.R. 3678 – Internet Tax Freedom Act Amendments Act of 2007

Status: signed into law Oct. 31, 2008, Congresswoman Giffords voted for it in the House

- This bill that extends through November 1, 2014, the ban on state and local taxes on Internet access, as well as prevent most state and local governments from collecting taxes on electronic commerce such as cable modem and digital subscriber lines. The Senate

amendment would define Internet access to include certain Internet services, such as e-mail or home pages, which are provided independently of Internet access.

Energy:

H.R. 6487 – Diesel Tax Parity Act

Status: Congresswoman Giffords introduced, pending in Ways & Means Committee

- The Diesel Tax Parity Act would reduce the federal diesel tax from 24.3 cents per gallon to 18.3 cents per gallon, which equals the current federal tax on gasoline. The bill would help decrease the cost of moving manufactured goods around the country.

H.R. 3807 - Renewable Energy Assistance Tax Act

Status: Provisions have passed the House four times: in [H.R. 2776](#) on August 4, 2007; in [H.R. 6](#) on December 6, 2007; in [H.R. 5351](#) on February 27, 2008; and in [H.R. 6049](#) on May 21, 2008.

- Extends the 30% commercial solar property and residential investment tax credit for eight years; extends the existing energy-efficient appliance credit and extend this credit for three years (through the end of 2010); and extends the energy-efficient doors, windows, and insulation consumer tax credit for eight years.

Immigration:

H.R. 6633 Employee Verification Amendment Act

Status: Congresswoman Giffords introduced, passed the House

- As the current voluntary program, known as “E-verify” (formerly known as the Basic Pilot Program), expires on November 1st, it is critical that Congress extend E-verify until legislation can be passed that will improve the current system.
- Immigration enforcement is a federal responsibility, and small business owners believe that Congress needs to fulfill its obligation to provide a workable nationwide employee verification system. Many states are working to enact their own enforcement measures, and if Congress does not act, the resulting impact will be chaotic as small business owners would face a complex and confusing set of enforcement policies.

H.R. 5515 – New Employee Verification Act

Status: Congresswoman Giffords cosponsor, pending before multiple Committees

- NEVA would replace E-Verify with a more reliable, effective and balanced employee verification system. It would provide protections for law-abiding employers and employees. NEVA would create a national, mandatory electronic system to verify the work authorization of new hires. The system would rely on the use of fewer, more secure identity documents and employee information would be transmitted through each state's new hire reporting system.

H.R. 5630 – The Innovation Employment Act

Status: Congresswoman Giffords introduced; pending before the House Judiciary Subcommittee on Immigration, Citizenship, Refugees, Border Security, and International Law.

- This legislation would reform the H-1B visa caps, with particular emphasis for graduates with U.S. degrees in science, technology, engineering, and mathematic (STEM). In the

short-term, H-1B workers are essential to the United States remaining globally competitive and to driving science and technology investment and development.

Innovation / Education:

Competes Act, H.R. 2272

- This bill authorizes \$33.6 billion over fiscal years 2008-2010 for science, technology, engineering and math (STEM) education and research programs across the federal government. It puts the federal government on track to double its annual investment in basic science research over the next ten years.

H.R. 362, the “10,000 Teachers 10 Million Minds” Act Amendments

- H.R. 362, the “10,000 Teachers, 10 Million Minds” Science and Math Scholarship Act, requires the National Science Foundation (NSF) to carry out a scholarship program to increase the number of exemplarily elementary and secondary mathematics and science teachers. This bill, including the Congresswoman’s Amendments, was signed into law on August 9, 2007.
- **Giffords Amendment #1 to H.R. 362, offered in the Science & Technology Committee** to specify that the National Science Foundation shall attempt to increase the number of students from schools with high concentrations of children from low income families that are studying toward and completing baccalaureate degrees, concentrations, or certificates in STEM fields.
- **Giffords Amendment #2 to H.R. 362, offered in the Science & Technology Committee** to require the National Science Foundation to give priority to summer teacher institute grant applications that propose programs that will attract teachers from high-need schools systems.

Small Business:

H.R. 976 – Small Business Tax Relief Act

Status: Cosponsor – signed into law as part of H.R. 2206 with Rep. Giffords’ vote.

- Extends the Work Opportunity Tax Credit through August of 2011. Businesses that hire economically disadvantaged workers – including disabled veterans and workers in places where population is declining – will get a tax credit for paying those folks their much-needed wages.
- Includes a one-year extension of Section 179 Small Business Expensing, which allows small business owners buy and write off more equipment each year for use in their trade or business. The bill immediately increases the amount that may be written off each year from \$112,000 to \$125,000.
- When a married couple jointly owns a small business, this bill makes sure they both get credit for paying Social Security and Medicare taxes.

H.R. 1873 – Small Business Fairness in Contracting Act

Status: passed the House with Rep. Giffords’ vote

- Expands and changes the definition of “contract bundling” to allow more small business to compete for government contract.

- Strengthens the bundling appeals process by providing for third-party review, and allowing for trade associations to raise concerns on behalf of their small businesses.
- Provides greater opportunities for small businesses to compete in the federal marketplace. The bill increases the small business contracting goal to 30% and applies that goal to overseas contracts.
- Requires the creation of a private database that will allow small businesses to market to prime contractors that need to meet their goals.
- Provides increased oversight and independent audits to assure contracts are coded correctly to be sure we are actually meeting our target of 30% small business contract.

H.R. 1332 – The Small Business Lending Improvements Act

Status: passed the House with Rep. Giffords' vote

- Allows the Small Business Administration to contribute to borrower and lender fees associated with 7(a) Small Business Start Up Loans.
- Directs the Administrator to carry out a rural lending outreach program, guaranteeing small loans to small businesses in Rural Areas.
- Permanently expands the Community Express Pilot Program for loans of \$250,000 or less to small businesses whose majority ownership is held by women, Native Americans, socially or economically disadvantaged individuals, veterans, or members of the reserves, and to businesses in a low- or moderate-income area.
- Requires the Administrator to provide loans to small businesses in health professional shortage area that provide medical, dental, or psychiatric services, and guaranteeing 90% of the loan and reduce Lender and Borrower fees by 50 Percent.
- Directs SBA to carry out an Increased Veteran Participation Program to small businesses whose majority ownership is held by veterans or members of the reserves, guaranteeing 90 percent of such loan, and eliminates the borrower and lender fees.

H.R. 2359 – SBA Entrepreneurial Development Programs Act of 2007

Status: passed the House with Rep. Giffords' vote

- Allows Small Business Development Centers (SBDCs) to apply for an additional grant to carry out:
 - a capital access initiative program
 - a disaster recovery program
 - an innovation and competitiveness services to manufacturers initiative program
 - a mature entrepreneurs assistance program
 - a small business sustainability initiative program.
- Provides Grant funding to SBDC's to assist in securing affordable health insurance for small businesses and their employees.
- Directs SBA to establish a program to provide regulatory compliance assistance to small businesses through selected SBDCs

H.R. 2366 – the “SBA Veterans' Programs Act of 2007

Status: passed the House with Rep. Giffords' vote

- Helps veterans through grants, information services, and personal assistance to evaluate business opportunities and become entrepreneurs in their own right.
- Focuses on providing our veterans with the market research, financial options and technological training important to becoming successful in today's business world.

- In addition to increasing the number of Veteran Outreach Centers across the country, H.R. 2366 would also ensure that women veterans are made aware of opportunities in their local communities.

H.R. 5819 - The SBIR/STTR Reauthorization Act

Status: passed the House with Rep. Giffords' vote and amendment

- The SBIR/STTR Reauthorization Act extends for a period of two years the Federal government's largest small business research and development programs. Notably, the legislation increases funding for small research firms by half a billion dollars. The legislation modernizes the Small Business Innovation Research (SBIR) program so that it is sync with the needs of small research firms and can continue to increase the global competitiveness of the U.S. economy.
- Encourages greater participation in SBIR and STTR - The Act includes a number of provisions designed to encourage more small firms to apply for SBIR and STTR awards. The bill more than doubles the size of SBIR and STTR awards for Phase I and Phase II grants. It also provides access to technical assistance and places an emphasis on research on alternative fuels and orphan diseases.
- Congresswoman Giffords' amendment would mandate that SBIR awardees must be entities with their primary business operations in the United States. This will keep the full benefits from these taxpayer-funded small business research and development programs in the United States.

H.R. 6210 – the Small Business Health Options Program (SHOP) Act

Status: pending with the House Energy & Commerce, Education & Labor, Ways & Means, and Rules Committees – Rep. Giffords is a cosponsor

- Provides a tax credit to small employers to offset the cost of health coverage.
- SHOP's rating reforms will make premiums more stable from year-to-year and more affordable for those who need coverage the most. It will also give employers and employees an easier way to find coverage as well as offer new insurance options.